Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	45
4. Investment Name:	Correspondence Examination Automated System (CEAS) - Major
5. UPI:	015-45-01-14-01-2467-00

6. What kind of investment will this be in FY2008?
Mixed Life Cycle

7. What was the first budget year this investment was submitted to OMB?
FY2008

8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.
The Correspondence Examination Automation Support (CEAS) system will incrementally replace the steady state Reports Generation Software (RGS) & RGS Batch suite of applications, as the primary inventory management and report writing system for campus Reporting Compliance Examination, in a web based environment. It will process data more efficiently, automate redundant case management tasks, and remove unnecessary human intervention. The current RGS legacy system, developed 20 years ago, is difficult and expensive to maintain and does not support all inventory types. The old technologies, file formats, and functional and architectural constraints limit usability and diminish its usefulness, and cannot provide the functionality necessary to support all aspects of Correspondence Examination processing. There is currently no new modernized system to meet this IT investment need. CEAS will allow inventories to be managed at a corporate level rather than the site level through Unattended Case Processing (UCP) which will allow the approximately 1M cases processed annually to be moved in bulk through the examination process. Additionally, CEAS will leverage the Examination Desktop Support System (EDSS) tax computation module. In its end state, CEAS will retire the steady state RGS systems to provide the 3,500 campus users with enhanced report writing and letter generation capabilities to create/revise correspondence letters and reports. It will also facilitate increased audit coverage and allow for quick reaction to emerging compliance issues by expanding UCP capabilities to include all campus examination issues and work types. This will result in increased timeliness and accuracy of examinations and enable more flexibility in improving case management. Integration of Decision Support Tools will provide consistency and improve the quality of the campus Examination process output. As each CEAS release is deployed into production, that release will join prior releases deployed as part of the Operations and Maintenance component of this mixed life cycle investment. If the CEAS investment request is not fully funded, both Wage and Investment and Small Business, Self Employed campus examination functions will be forced to continue using the current RGS applications, thereby impacting their ability to meet Campus Examination work plan commitments and Agency Strategic Goals.

9. Did the Agency's Executive/Investment Committee approve this request?
yes

9.a. If "yes," what was the date of this approval?
2006-08-09

10. Did the Project Manager review this Exhibit?
yes

11. Project Manager Name:
LoProto, Nancy

Project Manager Phone:
404-338-8540

Project Manager Email:
Nancy.A.Pennachio@irs.gov

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.

no	
12.a. Will this investment include electronic assets (including computers)?	
yes	
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	
no	
13. Does this investment support one of the PMA initiatives?	
yes	
If yes, select the initiatives that apply:	
Expanded E-Government	
Financial Performance	
Human Capital	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
Efficiencies will permit resolution of issues more expeditiously and facilitate reducing the number of erroneous Earned Income Tax Credit claims. Results of examination adjustments will be provided by Correspondence Examination Automation Support (CEAS) to state and local taxation agencies.	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
no	
15. Is this investment for information technology (See section 53 for definition)?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 2	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(2) Project manager qualification is under review for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
yes	
19. Is this a financial management system?	
no	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	

Hardware	0
Software	0
Services	100

21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
n/a	
22. Contact information of individual responsible for privacy related questions.	
Name	
Sherry L. Brockman	
Phone Number	
972-308-1503	
Title	
Integration Project Manager	
Email	
Sherry.L.Brockman@irs.gov	
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's	

approval?
yes

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY
	-2005	2006	2007
Planning Budgetary Resources	0.000	0.000	0.635
Acquisition Budgetary Resources	0.000	0.000	3.983
Maintenance Budgetary Resources	0.000	0.000	0.435
Government FTE Cost	0.000	0.000	3.342
# of FTEs	0	0	30

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2006			Correspondence Examination Automation Support(CEAS) programming was frozen pending executive decision on future system design and development		
2	2007			Correspondence Examination Automation Support(CEAS) 2007		

				establishes the first phase of Unattended Case Processing (UCP) in the CEAS web environment. No measurable improvements are expected. Measurable improvements are expected with the expansion UCP capabilities in the CEAS 2008 release.		
16	2005			Correspondence Examination Automaion System (CEAS) did not have any measurable Performance Improvements for 2005.		

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results

EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

This investment will be identified as the Correspondence Examination Automation Support System(CEAS) in the next release of Treasury enterprise architecture (EA) Transition Strategy. It has passed the SELECT process and is submitting initial architecture information via this Exhibit 300.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to http://www.whitehouse.gov/omb/egov/.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	NEW	Unattended Case Processing System provides the capability to accept input sources containing potential taxpayer cases. Evaluates each case for inclusion into an automated workflow designed to create, age, and close taxpayer cases with minimal user intervention primarily related to correspondence examinations. The system also provides capability to assign and route cases to the appropriate personnel for interaction with taxpayer in effort to assist in case resolution.	Tracking and Workflow	Case Management			No Reuse	70
2	NEW	The business rules approach supports a business knowledge repository for the case filtering criteria, IRS's policies, tax laws, directives, facts, terms, and other IRS business rules, that affect Correspondence Examination Automation Support (CEAS) processing. This approach will allow CEAS to be easily updated when policies and tax laws change.	Management of Processes	Business Rule Management			No Reuse	30

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Case	Service Access	Access Channels	Web Browser	Internet Explorer

2	Case Management	Service Access and Delivery	Service Requirements	Legislative / Compliance	Section 508; Computer Security Act
3	Case Management	Service Access and Delivery	Service Transport	Service Transport	HTTP Secure (HTTPS)/ Secure Sockets Layer (SSL) over Internal Revenue Service (IRS) Local Area Network (LAN)
4	Case Management	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Microsoft Windows 2003 & XP
5	Case Management	Service Platform and Infrastructure	Support Platforms	Platform Independent	.NET
6	Case Management	Service Platform and Infrastructure	Delivery Servers	Web Servers	Win64
7	Case Management	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	Visual Studio .NET
8	Case Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Defect Tracking
9	Case Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Issue Management
10	Case Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Change Management
11	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Deployment Management
12	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Requirement Management
13	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Functional Testing
14	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Usability Testing
15	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Performance Profiling
16	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Load/Stress/Volume Testing
17	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Security and Access Control
18	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Reliability Testing
19	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Configuration Testing
20	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Installation Testing
21	Case Management	Service Platform and Infrastructure	Database / Storage	Database	Oracle 9i
22	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Defect Tracking
23	Case	Service Platform	Hardware /	Servers /	Enterprise Server

24	Case Management	Component Framework	Security	Certificates / Digital Signatures	Secure Sockets Layer (SSL)
25	Case Management	Component Framework	Security	Certificates / Digital Signatures	HTTP Secure (HTTPS)
26	Business Rule Management	Component Framework	Presentation / Interface	Dynamic Server-Side Display	C# (C Sharp)
27	Business Rule Management	Component Framework	Business Logic	Platform Independent	C# (C SHARP)
28	Case Management	Component Framework	Data Interchange	Data Exchange	Simple Object Access Protocol (XML protocol) (SOAP)
29	Case Management	Component Framework	Data Interchange	Data Exchange	Extensible Markup Language (XML)
30	Case Management	Component Framework	Data Management	Reporting and Analysis	Active Data Object (ADO).NET
31	Case Management	Service Interface and Integration	Integration	Middleware	Message Oriented, Microsoft MSMQ
32	Case Management	Service Interface and Integration	Interoperability	Data Format / Classification	Extensible Markup Language (XML)
33	Case Management	Service Interface and Integration	Interoperability	Data Types / Validation	Extensible Markup Language (XML) Schema
34	Case Management	Service Interface and Integration	Interface	Service Description / Interface	API / Protocol

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?
no
6. Does this investment provide the public with access to a government automated information system?
no

PART TWO

RISK
You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.
Answer the following questions to describe how you are managing investment risks.
1. Does the investment have a Risk Management Plan?
yes
1.a. If yes, what is the date of the plan?
2006-09-05
3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)
Life-cycle Costs - The Correspondence Examination Automation Support (CEAS) project team risk-adjusted costs by defining a qualitative and quantitative risk score for impact and probability, assessing the qualitative and quantitative impact and probability for each risk, calculating risk-adjustment factors by multiplying each risk's impact and probability, and applying those factors to selected cost elements to adjust the expected value to account for risk. Currently, due to lack of funding, the project will not be allocated additional dollars to set up a managerial contingency reserve that accounts for these risk-adjusted costs. Risk adjustment of 2% has been applied to the life-cycle costs. Schedule - The CEAS project team identifies risks, develops mitigation strategies, and identifies the event triggers and likely dates of occurrence. The risk inventory is then updated with the assessment data. The risk mitigation strategies serve as input into developing and updating the project schedule Work Breakdown Structure (WBS). Risks for this project will be tracked through the Item Tracking Reporting And Control (ITRAC) system.

COST & SCHEDULE

Does the earned value management system meet the criteria in ANSI/EIA Standard 748?
no
What costs are included in the reported Cost/Schedule Performance information?
Contractor and Government
2.e. As of date:
2006-10-01
8. Have any significant changes been made to the baseline during the past fiscal year?
no